

## Message Text

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44

ACTION EUR-25

INFO OCT-01 NEA-10 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-09 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01 FSE-00 ABF-01

DODE-00 PA-03 USIA-12 PRS-01 EURE-00 INRE-00 L-03

CEA-02 STR-08 SS-14 NSC-10 RSR-01 /164 W

----- 012229

P 091605 Z MAR 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 7710

AMEMBASSY ATHENS PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY PARIS PRIORITY

USMISSION OECD PARIS PRIORITY

AMCONSUL FLORENCE PRIORITY

AMCONSUL GENOA PRIORITY

AMCONSUL MILAN PRIORITY

AMCONSUL NAPLES PRIORITY

AMCONSUL PALERMO PRIORITY

AMCONSUL TRIESTE PRIORITY

AMCONSUL TURIN PRIORITY

40 TH TAC GP FAF AVIANO PRIORITY

6917 RSM BRINDISI PRIORITY

DET 1, 401- TWF DECIMOMANNU PRIORITY

COMSIXTHFLT GAETA PRIORITY

USCINCUSAREUR HEIDELBERG PRIORITY

FAO DIVENGR USAEDN, LEGHORN PRIORITY

8 TH LOG COMMAND LIVORNO PRIORITY

CINCSOUTH NAPLES PRIORITY

CONSERFORSIX FLT NAPLES PRIORITY

NAF SIGONELLA PRIORITY

NAVSUPPACT NAPLES PRIORITY

USCINCEUR VAIRENGEN PRIORITY

FIN& ACC OFF SETAF VICENZA PRIORITY

CMDR EUREXCSERVICE FOR ITALY VICENZE PRIORITY

DIR PROC& PROD ITADJUSTMENT WIESBADEN PRIORITY

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CINCUSAFE WIESBADEN PRIORITY  
FIN& ACC OFF ZWIEBRUECKEN PRIORITY

UNCLAS ROME 1887

E. O. 11652: NA/ A

TAGS: EFIN, IT

SUBJECT: EXCHANGE RATE FOR US GOVERNMENT EXPENDITURES AND FOR  
ACCOMMODATION EXCHANGE IN ITALY

FOR STATE, DEFENSE, TREASURY ( PASS FISCAL SERVICE FOR COX)  
PARIS RFC FOR WARNER

REF: ( A) ROME 1562; ( B) ROME 1451

1. / SUMMARY/. TEN- DAY TASCA EXCHANGE RATE OF 571 NOTIFIED  
REFTEL A TERMINATES ON MARCH 10. ON INTERIM BASIS,  
WE BELIEVE THAT BANK OF ITALY BRANCHES THROUGHOUT ITALY  
WILL BE PREPARED TO SELL LIRE FOR DOLLARS ON BASIS OF  
DAILY EXCHANGE RATE. / END SUMMARY/.

2. IF MARKET REMAINS CLOSED, AS IS POSSIBLE, FOR MARCH 12  
AND 13, BANK WOULD SELL LIRE AT PROVISIONAL DAILY RATE WITH  
FINAL SETTLEMENT TO BE DETERMINED ON DAY WHEN MARKETS REOPEN.  
THIS FACILITY WOULD AT LEAST PROVIDE SOURCE OF LIRE WHILE  
MARKETS CLOSED.

3. WE ALSO BELIEVE THAT BANK OF ITALY WILL OFFER TO SELL  
LIRE AT DAILY RATE AFTER MARKETS ARE REOPENED, WHICH WE  
PLAN NOTIFY TO ALL RECIPIENTS AS SOON AS IT AVAILABLE.  
PRESUMABLY RATE WILL BE COMMERCIAL LIRA RATE WHICH,  
HOWEVER, HAS NOT BEEN VERY DIFFERENT LATELY FROM FOREIGN  
BANKNOTE RATE IN FINANCIAL LIRA MARKET. WE WOULD STILL CONSIDER  
SUCH A PROCEDURE TO BE AN INTERIM ONE, PENDING FINAL DECISION  
FROM CURRENT TALKS WITH ITALIAN MONETARY AUTHORITIES.

4. FOR MILITARY RECIPIENTS: AFTER MARKETS REOPEN, SUGGEST  
YOU SURVEY LOCAL COMMERCIAL BANKS TO DETERMINE WHAT IS BEST  
RATE OBTAINABLE, AS PERMITTED UNDER ITALIAN EXCHANGE  
CONTROLS, I. E., COMMERCIAL LIRA RATE OR FOREIGN BANKNOTE  
RATE. IN ADDITION, WE WOULD PLAN NOTIFY DAILY RATE AVAILABLE  
FROM LOCAL BANK OF ITALY BRANCH. EACH RECIPIENT COULD  
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THEN SELECT MOST FAVORABLE OF THESE RATES FOR USE

ON THAT DAY. WE HAVE NO OBJECTION IF YOU WISH TO USE  
AVERAGE RATE BASED ON RATES AT WHICH LIRE ON HAND WERE  
ORIGINALLY PURCHASED, NOR WOULD WE OBJECT TO FIRST- IN  
FIRST- OUT METHOD, PROVIDED THESE ARE CONSISTENT WITH  
MILITARY INSTRUCTIONS.

5. FOR CONSULATES: DAILY EXCHANGE RATES FOR USG  
EXPENDITURES AND FOR ACCOMMODATION EXCHANGES WILL BE  
THE PREVAILING RATE PROVIDED TELEGRAPHICALLY BY RFC/ PARIS.

6. WE ARE CONTINUING TO EXAMINE POSSIBLE PROCEDURES FOR  
CENTRALIZING LIRE PURCHASES, SO THAT UNIFORM EXCHANGE RATE  
WOULD EVENTUALLY APPLY THROUGHOUT ALL CIVILIAN AND  
MILITARY POSTS THROUGH ITALY. IN ORDER TO DETERMINE BETTER  
WHAT FINAL PROCEDURE TO ADOPT, REQUEST ACTION ADDRESSEES  
REFTEL B RESUME DAILY SURVEY OF PREVAILING EXCHANGE RATES  
IN LOCAL MARKET DURING PERIOD MARCH 12-23. VOLPE

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 MAR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** n/a  
**Errors:** n/a  
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**Page Count:** 3  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** kellerpr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16-Aug-2001 by maustmc>; APPROVED <27-Aug-2001 by kellerpr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 971110  
**Subject:** EXCHANGE RATE FOR US GOVERNMENT EXPENDITURES AND FOR ACCOMMODATION      EXCHANGE IN ITALY  
**TAGS:** EFIN, IT  
**To:** ATHENS  
BONN  
EUR  
FLORENCE  
GENOA  
MILAN  
OECD PARIS

PARIS  
SECSTATE WASHDC

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005